IN THE HIGH COURT OF KERALA AT ERNAKULAM

PRESENT :

THE HONOURABLE MR. JUSTICE S.SIRI JAGAN

WEDNESDAY, THE 25TH JULY 2007 / 3RD SRAVANA 1929

WP(C).No. 22750 of 2007(G)

PETITIONER:

N. VISWANATHAN PILLAI,
VISWA BHAVANAM, NARAKATHARA P.O.,KAVALAM,ALAPPUZHA

BY ADV. SRI.B.RAMACHANDRAN
SMT.JOLIMA GEORGE

RESPONDENT:

UNION BANK OF INDIA,
ALAPPUZHA BRANCH, KABEER PLAZA, CCSB ROAD,
MULLACKAL, ALAPPUZHA-688 011, REPRESENTED BY ITS
BRANCH MANAGER.

BY ADV. SRI.A.S.P.KURUP, SC FOR UBI

THIS WRIT PETITION (CIVIL) HAVING COME UP FOR ADMISSION ON 25/07/2007, THE COURT ON THE SAME DAY DELIVERED THE FOLLOWING:

S. SIRI JAGAN, J.

WP(C) NO. 22750 OF 2007 - G

Dated this the 25th day of July, 2007

J U D G M E N T

The petitioner availed of cash credit facility of Rs.2 lakhs from the respondent- Bank. However, the cash credit facility has been closed and the petitioner has been directed to repay the balance amount due. The petitioner's contention is that he has not committed any default in repayment of the dues and therefore, the respondent is not entitled to close the cash credit facility.

2. The learned Standing Counsel appearing for the respondent submits that the petitioner's business is outside the service area of the Bank and the internal rule of the Bank does not allow catering to persons outside the local limits stipulated by the Head Office and it is under such circumstances that the Bank was forced to close the account and demand the amounts due. In view of the above submissions, the learned counsel appearing for the petitioner submits that he may be permitted to pay the amount demanded in easy instalments.

3. In the above circumstances, I dispose of this writ petition with the following directions:-

The petitioner shall pay an amount of Rs.50,000/- (Rupees fifty thousand only) within one month from today. The balance amount shall be paid in six equal monthly instalments starting from 1st of October, 2007. Every subsequent instalment shall be paid on the first working day of every succeeding month. If the petitioner pays the amounts without default, in time, further proceedings pursuant to the impugned notice issued under the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act (Ext.P1) shall be kept in abeyance. However, if the petitioner commits default in payment of Rs.50,000/- or any of the instalments, it would be open to the respondent to continue the proceedings as per Ext.P1 without having to issue any fresh notice or proceedings in that regard.

S. SIRI JAGAN,
Judge

Mbs/

S.SIRI JAGAN, J

W.P.(C) NO. OF 2001

J U D G M E N T

DATED:01-06-2007